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Hearing Examiner
JUL 11 REC'D

Attorney for the CSI

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE
MONTANA STATE AUDITOR**

IN THE MATTER OF:)	
)	CASE NO. INS 2019-134
)	
GINNY HARTMAN,)	NOTICE OF PROPOSED AGENCY
Insurance Producer No. 100133009)	ACTION AND OPPORTUNITY FOR
)	HEARING
)	
)	
Respondent.)	
)	

TO: GINNY HARTMAN
275 Sweetwater Rd.
Bonners Ferry, ID 83805

The Office of the Montana State Auditor, Commissioner of Securities and Insurance (CSI), pursuant to the authority of the Montana Insurance Code, Mont. Code Ann. § 33-1-101 et seq., sets forth the following allegations of fact, conclusions of law, and notice of right to a hearing. Additionally, the CSI is proposing to the Commissioner of Securities and Insurance, Montana State Auditor (Commissioner), that he take specific action against Ginny Hartman, Montana Non-resident Insurance Producer No. 100133009 (Respondent), for violations of the Code. The Commissioner has authority to take such action under the provisions of §§ 33-1-102,

33-1-311, 33-1-317, 33-1-318, 33-1-1202, 33-1-1203, 33-17-201, and 33-17-1001, MCA.

Service of process is effectuated pursuant to § 33-1-314, MCA.

REASONS FOR ACTION

There is reasonable cause to believe that the following facts will be proven true and justify the revocation of the nonresident insurance producer license of Ginny Hartman.

ALLEGATIONS OF FACT

1. Ginny Hartman is a non-resident insurance producer licensed in Montana (License No. 100133009).
2. On or about August 1, 2018, the CSI received a complaint from H.M. regarding annuities products sold to him by the Respondent's husband and business partner, Kip Hartman, at his office in Troy, MT. Kip Hartman has not been licensed as an insurance producer in the state of Montana since 2010.
3. The CSI contacted H.M. regarding his complaint. He told the CSI that in reviewing the annuity documents, he was surprised to see that they were signed by the Respondent, rather than Kip Hartman. H.M. had never met with the Respondent and had only seen her picture in Hartman's office.
4. When questioned by the CSI, the Respondent informed the CSI that she "had met with [H.M.] and went over the AIG annuity products during the sales process and when taking the application", that she "had discussed the guarantees that the AIG product would provide...", and that she "was forthcoming about every aspect of the product...".
5. An investigation by the CSI has found that in addition to H.M., several additional insurance products were sold to Montanans by Kip Hartman; however, the Respondent was the signatory on the products sold. The CSI discovered the following:

a. B.B. lives in Troy, MT. He met with Kip Hartman for tax assistance, and at that time, Kip Hartman recommended he liquidate the balance of his 401(k) and place the funds in an annuity. B.B. told the CSI he never met the Respondent; however, she was the signatory on the product sold by Kip Hartman. B.B. indicated to the CSI that he thought the Respondent was required to sign because she owned the business, however, when he bought the annuity, the Respondent was not there.

b. T.C. and D.C. are married and met with Kip Hartman for tax assistance. Kip Hartman sold T.C. and D.C. each an annuity. T.C. told the CSI that the Respondent never attended meetings with them, and did not sell them their annuities; however, the Respondent was the signatory on the annuity products sold.

c. T.C. lives in Libby, MT. She met with Kip Hartman for tax assistance. Upon Kip Hartman's recommendation, T.C. liquidated \$101,000.00 from her IRA and purchased an annuity. T.C. told the CSI she did not meet with the Respondent; however, the Respondent was the signatory on the annuity product sold.

d. S.K. lives in Troy, MT. S.K. met with Kip Hartman, who recommended he purchase an annuity for \$182,500.00. S.K. later purchased another annuity for \$100,000.00 based on Kip Hartman's recommendations. S.K. told the CSI he did not meet with the Respondent regarding these products, but he did give her the second check as Kip was out of the office. The Respondent was the signatory on the annuity product sold.

e. R.P. lives in Troy, MT. She had several IRA's consolidated into one annuity by Kip Hartman. R.P. told the CSI that she had met the Respondent once, but that she

appeared to be performing administrative tasks and that Kip Hartman had sold her the annuity. The Respondent was the signatory on the annuity product sold.

f. S.R. purchased an annuity from Kip Hartman at his office in Troy, MT. S.R. told the CSI he did not meet with the Respondent to make the purchase and met her on one occasion while stopping by Kip's home. The Respondent was the signatory on the annuity product sold.

g. C.M. and J.M. are married and live in Troy, MT. They met with Kip Hartman, who encouraged them to purchase annuities from Pacific Life. C.M. first purchased an annuity for \$40,000.00, and then later withdrew \$25,000.00 from her Roth IRA for a second annuity. J.M. utilized IRA rollover funds to purchase an annuity for \$87,000.00. All three annuities were sold by Kip Hartman. C.M. told the CSI he and his wife never met with the Respondent; however, she was the signatory on all three annuity products sold.

CONCLUSIONS OF LAW

1. The Commissioner has jurisdiction over this matter. Mont. Code Ann. § 33-1-311.
2. The CSI administers the Code to protect insurance consumers. § 33-1-311(3).
3. The Commissioner may revoke a nonresident insurance producer license, or may levy a civil penalty, or both, when a licensee violates or fails to comply with any provision of the Insurance Code pursuant to §33-17-1001(1)(c).
4. The Commissioner may revoke a nonresident insurance producer license when a licensee uses fraudulent, coercive, incompetent, or untrustworthy practices, or is a source of injury and loss to the public pursuant to §33-17-1001(1)(f).

5. It is unlawful to present or cause to be presented a materially false or altered application of insurance to an insurer. §33-1-1202 (3). The Respondent violated §33-1-1202 (3) by:

- a. knowingly signing applications for insurance products that she did not sell; and
- b. signing applications for insurance products sold by an unlicensed individual.


6. It is unlawful for an insurance producer to fail to fully cooperate with the Commissioner. 33-1-1205(1) MCA. The Respondent violated §33-1-1205(1) when she submitted a false written statement to the Commissioner claiming she had met with H.M. prior to selling him an annuity product when her husband, an unlicensed individual, actually met with H.M. and sold him the products.

RELIEF REQUESTED

The CSI seeks the following additional relief:

1. Pursuant to § 33-1-317, imposition of a fine not to exceed the maximum allowable by law for each identifiable violation of the Code;
2. Pursuant to §§ 33-1-318 and 33-17-1001, revocation of the nonresident insurance producer license issued to the Respondent; and
3. Such other relief as the Commissioner deems appropriate.

DATED this 11th day of July, 2019.



JANELL WILLIAMS
Attorney for CSI

STATEMENT OF RIGHTS

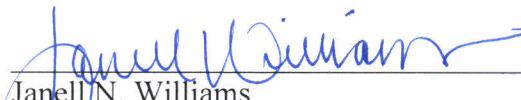
You, GINNY HARTMAN, are entitled to a hearing to respond to this Notice, and to present evidence and arguments on all issues involved in this case. You may have a formal hearing before a hearing examiner appointed by the Commissioner as provided in the Montana Administrative Procedure Act, § 2-4-601 et seq. You have a right to be represented by an attorney at any and all stages of this proceeding. Should you request a hearing, you will be given notice of the date, time, and place of the hearing.

At the hearing, you have the right to be accompanied, represented and advised by an attorney. If the counsel you choose has not been admitted to practice law in the state of Montana, he or she must comply with the Montana State Bar requirements for appearing *pro hac vice*, *Application of American Smelting and Refining Co.*, 164 Mont. 139, 520 P.2d 103(1973), and *Montana Supreme Court Commission on the Unauthorized Practice of Law v. O'Neil*, 2006 MT 284, 334 Mont. 311, 147 P.3d 200.

CONTACT WITH COMMISSIONER'S OFFICE

If you have questions or wish to discuss this matter, please contact Janell N. Williams, Office of the Montana State Auditor, 840 Helena Avenue, Helena, MT 59601, 406-444-4613. If an attorney represents you, please make any contacts with this office through your attorney.

DATED this 11th day of July, 2019.




Janell N. Williams
Attorney for CSI

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 11th day of July, 2019, a true and correct copy of the foregoing Notice of Proposed Agency Action and Opportunity for Hearing was served upon the following by certified mail, postage prepaid, return receipt requested:

Ginny Hartman
275 Sweetwater Rd.
Bonners Ferry, ID 83805



Lisa Monroe
Paralegal